

ASSEMBLY BILL

No. 2022

Introduced by Assembly Member Medina

February 20, 2014

An act to amend Section 4531, 4532, 4533, and 4534 of, and to repeal Section 4534.1 of, the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2022, as introduced, Medina. Public contracts: Target Area Contract Preference Act.

The Target Area Contract Preference Act establishes a preference for contracts for goods that are in excess of \$100,000 for contractors that certify that a specified percentage of the hours worked on a contract will be performed on a worksite in a distressed area, as defined.

This bill would increase the dollar threshold of those contracts to \$250,000. This bill would redefine a distressed area to be a census tract that is determined under a specified statute to be in the top quartile of census tracts for highest unemployment and poverty.

Existing law establishes a preference for contractors who certify that they will use a specified amount of persons with a high risk of unemployment, as defined, on a contract.

This bill would redefine persons with a high risk of unemployment to include, but not be limited to, a person that has been unemployed for a specified period of time, a veteran who served in active duty since September 11, 2001, a person who has been incarcerated, or a person who receives benefits of the Supplemental Nutrition Assistance Program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 4531 of the Government Code is amended to read:

4531. The Legislature hereby declares that it serves a public purpose, and is of benefit to the state, to encourage and facilitate job maintenance and job development in distressed and declining areas of cities and towns in the state. It is the intent of the Legislature to further these goals by providing appropriate preferences to California based companies submitting bids or proposals for state contracts to be performed at worksites in distressed areas by persons with a high risk of unemployment when the contract is for goods or services in excess of ~~one hundred thousand dollars (\$100,000)~~ *two hundred fifty thousand dollars (\$250,000)*.

SEC. 2. Section 4532 of the Government Code is amended to read:

4532. As used in this chapter:

(a) ~~“Block group” means the smallest area for which the United States Department of Commerce, Bureau of the Census provides data on personal income.~~

(b) ~~“Urbanized area” means a central city or cities and surrounding closely settled territory, as defined by the United States Department of Commerce, Bureau of the Census in the Federal Register, Vol. 39, Number 85, for Wednesday, May 1, 1974, at pages 15202–15203 and as periodically updated.~~

(c) ~~“Cluster of block groups” means one or more contiguous block groups.~~

(d) ~~“Distressed” means an urbanized area, within the State of California and as identified by the Office of Planning and Research, which contains at least 3,000 people in a cluster of block groups, each of which meet at least five of the following criteria according to the most recent available census information compared to the last statewide census:~~

(1) ~~The percentage of the block group’s population over age 25 with less than a high school education was within the upper quartile of all block groups.~~

(2) ~~The unemployment rate of the block group was within the upper quartile of all block groups.~~

1 ~~(3) The per capita income of the block group was within the~~
2 ~~lower quartile of all block groups.~~

3 ~~(4) The percentage of the block group's households which were~~
4 ~~female-headed households in poverty with children present was~~
5 ~~within the upper quartile of all block groups.~~

6 ~~(5) The percentage of the block group's population over 65 who~~
7 ~~were in poverty was within the upper quartile of all block groups.~~

8 ~~(6) The percentage of the block group's households with more~~
9 ~~than 1.01 persons per room was within the upper quartile of all~~
10 ~~block groups.~~

11 ~~(7) The percentage of the block group's population younger~~
12 ~~than 18 who were in poverty was within the upper quartile of all~~
13 ~~block groups.~~

14 ~~(8) The percentage of the block group's population who were~~
15 ~~nonwhite or hispanic was within the upper quartile of all block~~
16 ~~groups.~~

17 ~~(e) "Approved special census" means a special census approved~~
18 ~~by the Population Research Unit of the Department of Finance.~~

19 ~~(f) "Person with a high risk of unemployment" means a person~~
20 ~~who:~~

21 ~~(1) As a member of one of the eligible groups defined in Section~~
22 ~~321 of Public Law 95-600, qualifies an employer who hires him~~
23 ~~or her for the Targeted Jobs Tax Credit. These groups are:~~
24 ~~economically disadvantaged youth, economically disadvantaged~~
25 ~~Vietnam-era veterans, economically disadvantaged ex-convicts,~~
26 ~~vocational rehabilitation referrals, youth participating in a qualified~~
27 ~~cooperative education program, recipients of supplemental security~~
28 ~~income benefits under Title XVI of the Social Security Act, and~~
29 ~~general assistance recipients.~~

30 ~~(2) Would have qualified an employer hiring him or her for the~~
31 ~~Work Incentive/Welfare Tax Credit authorized by Section 322 of~~
32 ~~Public Law 95-600. These persons include applicants and recipients~~
33 ~~of aid to families with dependent children who would have~~
34 ~~registered for the Work Incentive Program, and aid to families~~
35 ~~with dependent children recipients who have been receiving welfare~~
36 ~~for at least 90 days.~~

37 ~~(g) "Poverty" means the poverty level, as defined by the United~~
38 ~~States Department of Commerce, Bureau of the Census in the~~
39 ~~Federal Register, Volume 43, Number 87, for Thursday, May 4,~~
40 ~~1978, at pages 19260-19269, and as periodically updated.~~

1 ~~(h)~~

2 ~~(a) “California-based company”~~ “*California-based company*”
3 means either of the following:

4 (1) A business or corporation whose principal office is located
5 in California, and the owners, or officers if the entity is a
6 corporation, are domiciled in California.

7 (2) A business or corporation that has a major office or
8 manufacturing facility located in California and that has been
9 licensed by the state on a continuous basis to conduct business
10 within the state and has continuously employed California residents
11 for work within the state during the three years prior to submitting
12 a bid or proposal for a state contract.

13 ~~(b) “Distressed” means a census tract determined by the~~
14 ~~Department of Finance, pursuant to Section 13073.5, to be in the~~
15 ~~top quartile of census tracts for having the highest unemployment~~
16 ~~and poverty in the state. If the designated census tract is~~
17 ~~predominately residential, the immediately adjacent census tract~~
18 ~~that is a predominately commercial and industrial tract shall also~~
19 ~~be a distressed area for the purpose of this chapter.~~

20 ~~(c) “Person with a high risk of unemployment” includes, but is~~
21 ~~not limited to the following:~~

22 ~~(1) A person who is currently unemployed and has been~~
23 ~~unemployed for more than 200 days.~~

24 ~~(2) A person who has been unemployed for greater than 200~~
25 ~~days within the last 365 days.~~

26 ~~(3) Veterans who served on active duty since September 11,~~
27 ~~2001.~~

28 ~~(4) A person who has been incarcerated.~~

29 ~~(5) A person who receives benefits of the Supplemental Nutrition~~
30 ~~Assistance Program.~~

31 ~~(i)~~

32 ~~(d) “Worksite” means either of the following:~~

33 ~~(1) A business located within a distressed area.~~

34 ~~(2) A business located in directly adjoining census tract blocks~~
35 ~~that when attached to the distressed area forms a contiguous~~
36 ~~boundary. A company that intends to perform the work at a~~
37 ~~worksite described in this paragraph shall submit a map with the~~
38 ~~bid or proposal identifying where the worksite is located.~~

39 SEC. 3. Section 4533 of the Government Code is amended to
40 read:

1 4533. Whenever the state prepares a solicitation for a contract
2 for goods in excess of ~~one hundred thousand dollars (\$100,000)~~
3 *two hundred fifty thousand dollars (\$250,000)*, except a contract
4 in which the worksite is fixed by the provisions of the contract,
5 the state shall award a 5-percent preference to California-based
6 companies who demonstrate and certify under penalty of perjury
7 that of the total labor hours required to manufacture the goods and
8 perform the contract, at least 50 percent of the hours shall be
9 accomplished at an identified worksite or worksites located in a
10 distressed area.

11 SEC. 4. Section 4534 of the Government Code is amended to
12 read:

13 4534. (a) In evaluating proposals for contracts for services in
14 excess of ~~one hundred thousand dollars (\$100,000)~~ *two hundred*
15 *fifty thousand dollars (\$250,000)*, except a contract in which the
16 worksite is fixed by the provisions of the contract, the state shall
17 award a 5-percent preference on the price submitted by
18 California-based companies who demonstrate and certify under
19 penalty of perjury that not less than 90 percent of the total labor
20 hours required to perform the contract shall be accomplished at
21 an identified worksite or worksites located in a distressed area.

22 (b) *Where a bidder complies with the provisions of subdivision*
23 *(a), the state shall award the additional preferences as set forth*
24 *in Section 4533.1 as appropriate.*

25 SEC. 5. Section 4534.1 of the Government Code is repealed.

26 ~~4534.1. Where a bidder complies with the provisions of Section~~
27 ~~4534, the state shall award the additional preferences as set forth~~
28 ~~in Section 4533.1 as appropriate.~~